**Maine Office of the Public Advocate Climate Impact Report**



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**November 2024**

**Goals:**

* Address the consumer impacts of climate change policies before the Public Utilities Commission and the legislature.
* Ensure that statutory mandates are fulfilled that require utilities to not only provide reliable service at affordable rates, but also to reduce greenhouse gas (GHG) emissions to meet Maine’s GHG reduction goals.

**Climate Impact Related Dockets**

**Governor’s Energy Office (GEO) issues Draft Report for *Maine Pathways to 2040: Analysis and Insights***

The Draft Report highlights the importance of several initiatives that concern the OPA:

* the need for additional renewable resources to meet greenhouse gas (GHG) reduction goals,
* the importance of offshore wind, as Maine set a target of at least 3 GW of floating offshore wind turbines by 2040[[1]](#footnote-2),
* the need for Long Duration Energy Storage (LDES) and
* clean, dispatchable thermal generation to meet the 100% Renewable Generation pathway.

One area that wasn’t mentioned is the need for additional transmission capacity in Maine before more renewable resources can be added cost-effectively.

Recently, the New England States Committee on Electricity (NESCOE) wrote a [letter](https://nescoe.com/resource-center/lttp-rfp-letter/) to ISO New England on the potential transmission needs for a Longer-term Transmission Planning (LTTP) Request for Proposal.

NESCOE points out that **efforts to develop resources in Maine to reduce GHG emissions will be frustrated by the lack of transmission capacity**. There needs to be additional transfer capability to allow further growth of green energy resources.

All six New England states recommend relieving Maine’s transmission congestion as the number one priority for transmission investment.

**Versant Power Holds Climate Vulnerability Assessment Meetings No. 2023-00282**

**Key takeaways:**

* Using the areas of Bangor and Bar Harbor as representative communities, Versant projected the changes to climate based on low and high emissions scenarios.
* Versant reviewed the modeling for increases in temperature, rainfall, hurricane like storm events, ice events, fire hazards, sea rise and changing wind speeds and snow accumulation.

Versant will build on this baseline information to plan for storm responses.

**GHG Practices Part of Merger Request for Until and Bangor Natural Gas No. 2024-00174**

The OPA filed testimony by LEI regarding greenhouse gas (GHG) tracking practices and policies to reduce stranded costs. LEI identified practices that could be counted as part of net benefits required for the merger. Testimony highlights:

* Require reporting of in-state Scope 1 emissions by LDCs and transmission operators. Tracking methane emissions separately from carbon dioxide (“CO2”) could help tailor climate policy and regulations to the specific circumstances of the state of Maine. Methane is a more potent GHG than CO2, though it does not stay in the atmosphere for as long as CO2.
* Near-term reductions in methane emissions could therefore reduce impacts on temperatures within the time frame of Maine’s GHG goals and allow time for CO2 reduction strategies to take effect.
* Maine should require reporting of Scope 1 methane emissions separately from other GHG emissions; reporting methane emissions in terms of tons of methane (not converted to CO2-equivalents (“CO2e”); and reporting for Maine gas distribution and transmission operations (not just at the level of the corporate parent).
* Reducing stranded costs by limiting the extent to which gas utilities are allowed to offer incentives and promotions to attract new customers. Other states have policies intended not only to reduce consumption of gas, but also to limit further capital spending on the gas distribution network.
* Other states allow gas utilities to fulfill their statutory obligations to provide safe and reliable service to existing customers but have developed policies intended to limit expansion of the customer base through promotional incentives.

**Net Energy Billing Multiple Dockets**

The Commission is attempting to analyze the benefits of Net Energy Billing (NEB) in its “*Investigation Into Allocation of Benefits of Distributed Generation Under Net Energy Billing*,” (No. 2024-00149). Updates are as follows:

* The Commission directed parties that seek detailed information from the Transmission and Distribution utilities related to distribution upgrades to explain how such information provides a basis for identifying a benefit that is monetizable and recoverable annually through the stranded cost mechanism.
* The PUC has yet to issue an order regarding the relevance of these lines of questioning.
* CMP argued that detailed information related to the interconnection of Distributed Energy Resources (DER), among other questions, is beyond the scope of the proceeding.
* Versant Power also argued that some of the data requests would require extensive investigation to determine the amount of system upgrades supported by DERs.
* The costs and benefits of the NEB program are outlined in the recent 2023 Net Energy Billing Benefits report the Commission submitted to the Legislature in April 2024.

**Grid Planning**   **No. 2022-00322**

Versant Power is conducting grid and climate planning processes, as directed by recent legislation and the Maine Public Utilities Commission, [LD 1959](https://legislature.maine.gov/legis/bills/display_ps.asp?LD=1959&snum=130), An Act Regarding Utility Accountability and Grid Planning for Maine’s Clean Energy Future.

Versant is holding a series of public meetings to receive community feedback on its proposals. Upcoming meetings:

* Introduction to Versant Power’s Integrated Grid Planning process: 11:30 a.m.-1 p.m. Thursday, Nov. 14. RSVP for Microsoft Teams link at [gridandclimate@versantpower.com](mailto:gridandclimate@versantpower.com) (with “Grid Planning” in the subject line).
* Update on Versant Power’s Climate Vulnerability Study: 11:30 a.m.-1 p.m. Tuesday, Nov. 19. RSVP for Microsoft Teams link at [gridandclimate@versantpower.com](mailto:gridandclimate@versantpower.com) (with “Climate” in the subject line).
* Versant continues a series of in person community meetings throughout northern and eastern Maine. A Piscataquis County community meeting will be held at 6 p.m. Tuesday, Nov. 19, at Three Rivers Kiwanis of Milo/Brownville, 15 Harris Pond Road, Milo. RSVP at [gridandclimate@versantpower.com](mailto:gridandclimate@versantpower.com) (with “Milo” in the subject line).

Versant Power staff will be available at community meetings to discuss energy issues of interest. All feedback on the grid planning process will be documented and considered. Surveys also will be shared to help Versant Power better understand individuals’ specific concerns and areas of interest.

**Stranded Cost Proceeding for Collection of NEB Costs No.** [**2024-00137**](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fmpuc-cms.maine.gov%2FCQM.Public.WebUI%2FCommon%2FCaseMaster.aspx%3FCaseNumber%3D2024-00137&data=05%7C02%7CSusan.W.Chamberlin%40maine.gov%7C04311868c3e543e0bb3108dcaa9ed7c6%7C413fa8ab207d4b629bcdea1a8f2f864e%7C0%7C0%7C638572846414932208%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=SzLej3SHVBuJYmCGsE%2FuxiqO2B8S6CRn2HjpnHACLQc%3D&reserved=0)

The Commission Hearing Examiners provided notice to parties regarding Staff participation in settlement discussions after the November 18, 2024, technical conference. The Examiners anticipate that all parties will be attending the technical conference, but to the extent a party does not participate, the Examiners request that parties file objections to Staff participation in settlement discussions by Wednesday, November 13, 2024.

In the previous docket, the Commission held that all post-restructuring costs should be recovered through a fixed charge, due to the policy nature of post restructuring costs, including both Net Energy Billing and non-Net Energy Billing program costs. Several commercial and industrial customers requested rate relief, demonstrating rate shock from the rate structural change. For example,

* CPV Maine Wind found that two thirds of the 27 customers within the LGS-T-TOU rate class “experienced over a 90% increase in their energy supply bill – well above any bar defining rate shock.
* More than one third saw increases over 500%, including CPV Maine Wind.
* A handful of customers only experience modest increases of 6% or less. And the largest user saw only a 2% increase.”

The follow-on proceeding will investigate these intraclass rate disparities to see if a change in cost allocation is warranted.

**Climate Impact Related Legislation**

The Legislature is currently in recess.

1. *Maine Pathways to 2040: Analysis and Insights*, DRAFT REPORT, (November 2024) at 56. <https://www.maine.gov/energy/sites/maine.gov.energy/files/2024-10/Maine%20Pathways%20Report%20Draft%20for%20Comment.pdf> [↑](#footnote-ref-2)